

LFX

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House Tax Policy Committee
House Office Bldg., Room 519
124 N. Capitol Ave.
Lansing, Michigan

To the Committee:

I understand that new legislation is under consideration to continue the effort to establish the film business as a growth industry in Michigan. That is indeed good news, and I urge this Committee to do what it can to facilitate this new legislation.

To be viable the amount allocated for movie tax credits must be large enough to support a full time cadre of production workers, and just as significantly, there must be certainty and transparency to the process.

Prior to submitting an application for the tax credit to the state, a producer has to create a budget, of course, and then secure financial commitments for that budget. A crucial factor for an investor in contemplating providing financial backing for a film is the level of risk, as represented in part by what he can expect back from the state tax credit. Unless there is certainty as to what the state tax credit will be, there is no way the investor can evaluate the risk, obviously making it less likely the investment will be made.

Therefore, as you consider new legislation, any language such as "Up to" a certain amount opens the door to the ultimate credit being reduced, making it impossible for an investor to calculate his risk.

As one who is trying to help build a permanent presence for the film industry in Michigan, I appreciate your continued efforts to find a way to create a viable incentive program, one that offers a straightforward process upon which an investor can reasonably rely. Uncertainty surrounding risk adds unneeded obstacles to a program whose purpose is to provide inducements to create jobs and build new businesses.

Sincerely,

/S/

Robert C. Wilson
Producer, *Crooked Tree*